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SUBJECT: (C) SHANGHAI SCHOLARS ASSESS DPRK'S RECENT PROVOCATIONS

REF: SHANGHAI 257 AND PREVIOUS

CLASSIFIED BY: CHRISTOPHER BEEDE, DEPUTY PRINCIPAL OFFICER, U.S.  
CONSULATE SHANGHAI, U.S. DEPARTMENT OF STATE.  
REASON: 1.4 (b), (d)

¶1. (C) Summary: Shanghai scholars said in early July they believe North Korea was reacting to both international pressures and domestic needs with their series of recent provocations. Scholars noted a strong connection between Kim Jong Il's declining health, his potential successor, and the nuclear and missile tests. Scholars could only speculate on North Korea's next steps, believing the DPRK still has several options. Whether China will enforce UNSC Resolutions (reftel) remains to be seen given China's "complicated" relationship with North Korea. Scholars also addressed several issues such as leadership personalities in North Korea, the North Korean economy, and North Korean students in China. End summary.

¶2. (C) P/E Section Chief and cleared State summer intern called on Shanghai scholars during the week of July 6 to discuss North Korea's recent provocations and related issues. Discussants included: Cui Zhiying, Director of the Office for Korean Peninsula Studies at Tongji University's Center for Asia-Pacific Studies; Xue Chen, Research Fellow at Shanghai Institutes for International Studies (SIIS); and Ren Xiao, Associate Dean of Fudan University's Institute of International Studies.

(C) Kim Jong Il's Health

¶3. (C) Two scholars said in early July that Kim Jong Il remains in poor health, and there is a sense of urgency to pick and prepare a successor. Xue and Ren both commented that Kim's stroke and poor health have been a stress on the leadership. Xue described a collective leadership which has been forced to "moderate" Kim's activities in recent years due to concerns over his health, and that since August 2008, coinciding with Kim's reported stroke, his responses to official letters have been few. China dispatched a medical team to North Korea in the wake of Kim Jong Il's stroke to help provide treatment. Xue claimed that Jin Xide, an ethnic-Korean scholar from the Chinese Academy of Social Sciences, was arrested for allegedly releasing information gleaned from the team's visit about Kim Jong Il's health to South Korean intelligence agencies. Cui's response

was milder, denying the severity of reports of Kim Jong Il's ill health, saying that Kim is merely exhibiting signs of old age and that his health problems are not terribly serious. He is still firmly in control of the military and the party, according to Cui.

(C) Kim Jong Un -- Successor?

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14. (C) Cui also expressed confidence that the DPRK's transition to a new leader would be "stable" and "without chaos." He stated that it was unclear, however, if Kim Jong Un already has been dubbed successor to his father. Xue said he knows of few informed sources about Kim Jong Un's background. He believes Kim studied in Switzerland, and upon finishing school abroad returned to North Korea to study at either Kim Il Sung University or Kim Chaek University of Technology. These two highly regarded schools in North Korea are where "royal family" members typically study to attain "a traditional North Korean education," according to Xue.

15. (C) Ren responded that the rumors surrounding Kim Jong Un's succession "may be true," but that North Korea had not adequately prepared Kim Jong Un to become successor. Ren continued that Kim Jong Il's father Kim Il Sung began prepping him in the 1970s, giving Kim Jong Il around 20 years to accumulate experience before his father's death, but Kim Jong Un, at only 26 years of age, has no experience in the party or government. The issue North Korea now faces is how to create a smooth power transition for such an inexperienced individual.

(C) A Collective Leadership?

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16. (C) The scholars were in agreement that North Korea has been governed by more of a collective leadership in recent years. Xue described Kim Ok, Kim Jong Il's current wife, as extremely powerful and the person who "controls who can meet Kim Jong Il." Xue also mentioned Chang Sung-taek, Kim Jong Il's brother-in-law, as another powerful force in the "palace faction" who, along with Kim Ok, is lobbying for Kim Jong Un to succeed Kim Jong Il. Ren believes Chang Song Taek is a politically significant figure of increasing prominence, remarking that he has been entrusted by Kim Jong Il to "guide the government" until the "young emperor (Kim Jong Un) is ready to assume power."

(C) Motivations for the DPRK's Provocations

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17. (C) Two Shanghai scholars questioned why North Korea would embark on such a bellicose path, including the nuclear and missile tests, while also expressing doubts about the results of the tests. Ren Xiao first stated that he originally was "puzzled" as to why North Korea undertook a series of hard line actions. He reasoned, however, that the DPRK's behavior has two important motivating factors: (1) to create a deterrent and security guarantee and (2) to respond to domestic political concerns. North Korea needs to pave way for succession, Ren said, and if the government is able to show the outside world and its own people that it is militarily powerful, this will give Kim Jong Il's successor a "higher authority," adding that this authority is especially important given Kim Jong Un's relative inexperience. Finally, Ren added that the North Korean military's influence has grown more pronounced in recent months. For example, DPRK military officials have shown "no willingness" to give up North Korea's nuclear program, Ren said.

18. (C) Cui Zhiying believes the DPRK's provocations were not related to domestic political concerns or Kim Jong Il's health; rather, he reasoned that North Korea is using the provocations to attract attention from the United States. North Korea is eager to continue negotiations with the United States, Cui stated, but the Obama Administration has not yet given the DPRK

the attention it craves. Xue Chen believes North Korea acted hastily by raising tensions in the region and failed to predict the U.S. response to the provocations. The DPRK hoped for a "package deal" to encourage good behavior, but President Obama reacted correctly by not rewarding North Korea for its actions. Xue believes a necessary component of successfully moderating North Korean behavior will be to avoid reactions that appear to reward provocations.

#### (C) North Korea's Next Steps

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¶9. (C) Ren warned that North Korea probably has not exhausted its options for further provocation. Ren believes that the DPRK's options include: conducting additional missile tests, staging a small provocation in the demilitarized zone (DMZ), or starting a skirmish at sea. According to Ren, the DPRK's leadership wants to create "a triumphant atmosphere" leading up to the National Day in September and anniversary of the founding of the party in October. In such an atmosphere, Ren speculated, there could be a big announcement concerning succession and Kim Jong Un. Xue added that it would be "logical" for North Korea to further engage in proliferation activities in order to continue the high-stakes provocations.

#### (C) China's Limited Influence

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¶10. (C) Ren Xiao offered a long explanation of why China's influence upon North Korea is much more limited than typically thought. He said that China has many "complex considerations" with regards to the DPRK. First, Ren remarked that "there is not necessarily a positive connection between trade and influence." In addition, the North Koreans have a historical sensitivity to outside pressure ("sadaejuui" or subservience to great powers) and China is hesitant to do anything to aggravate that sensitivity. Geographic proximity means that China must worry about stability, collapse, and refugees, Ren stated.

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¶11. (C) Xue said that the Chinese leadership does have certain "redlines" that if North Korea crossed the Chinese leadership would be forced to act; for example, if the DPRK began manufacturing high quality counterfeit RMB notes. But in view of the complex relationship between China and North Korea, Xue added that it would be a "crisis" for the Chinese leadership to enforce the UNSC Resolution and board North Korean vessels suspected of carrying weaponry. He warned it would be a "disaster" if the Chinese boarded a North Korean vessel based on US intelligence and urging, and found nothing in violation of the resolution, believing it would do significant harm to prospects for further U.S.-China cooperation on North Korea. Cui added that China would have to receive "clear evidence" of North Korea shipping nuclear weapons or material for China to stop and board North Korean vessels.

#### Comment

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¶12. (C) This report reflects Shanghai scholars' views on North Korea in early July, following the DPRK's provocations. Post will continue to follow-up with Shanghai scholars -- some of whom we believe have connections to the Central Government -- on a regular basis in order to offer an additional viewpoint on what is happening in North Korea.  
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